FBIS DAILY REPORT

Latin America

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'GROUP OF EIGHT' COMMUNIQUE ON C.A. SUMMIT

PA092025 Paris AFP in Spanish 1933 GMT 9 Aug 87

[Text] Sao Paulo, 9 Aug (AFP) -- In a communique released in Sao Paulo today, the foreign ministers of the Group of Eight urged the international community and especially those countries with links and interests in Central America to actively contribute to the achievement of peace in that region.

The communique states that the foreign ministers of the Group of Eight, which is comprised of the Contadora Group members (Mexico, Colombia, Panama, and Venezuela) and the Support Group members (Argentina, Brazil, Peru, and Uruguay) will meet in Venezuela on 22-23 August.

The full text of the communique issued by the Group of Eight reads as follows:

The presidents of Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela authorized their foreign ministers, who are meeting in Sao Paulo on 9 August 1987, to express their pleasure over the clear demonstration of political will to achieve peace represented by the 7 August agreement on "procedures to achieve a firm and lasting peace in Central America," which was signed in Guatemala by the presidents of the Central American countries.

The agreement signed in Guatemala is a definite step forward aimed at ending the costly and prolonged conflicts that are affecting the region. It establishes the basis to overcome those conflicts, and reasserts essential principles regarding security, self-determination, democracy, and development. The document once again stresses that dialogue and negotiation are -- as our governments have been suggesting in a constant and unified way -- the sole legitimate means to resolve the problems that affect Latin America as a whole and to build -- without foreign pressure or intervention -- the worthy future our peoples aspire to.

The eight foreign ministers decided to hold a meeting of the Contadora and Support Groups to discuss the best ways to meet the requests addressed to them in the context of the procedures to establish a firm and lasting peace in Central America. The Contadora and Support Groups will meet in Venezuela on 22-23 August.

The eight foreign ministers again urge the international community and especially those countries with links and interests in Central America to actively contribute to achieving the peace objectives that the Central American presidents are jointly determined to achieve.

U.S. DISSATISFIED OVER CENTRAL AMERICAN PLAN

FL111755 Havana Radio Rebelde Network in Spanish 1700 GMT 8 Aug 87

[Text] The White House could not hide its dissatisfaction today with the 11-point peace plan that was reached yesterday, Thursday, by the five Central American presidents who met in the Guatemala City presidential mansion during the last 2 days. The 11-point agreement represents the political will of the signers to do everything possible to find a peaceful solution to Central American conflicts. Although the document does not mention this by name, it points out the necessity for foreign forces -- clearly the United States -- to stay out of events in the region, and to cease all action that could put the peace effort at risk.

The Central American presidents did not take into consideration the so-called peace plan proposed by U.S. President Ronald Reagan and this has also been a cause for the White House's discontent. Added to this dissatisfaction and discontent is the fear that the U.S. Congress, where the majority in both chambers is hostile to Mr Reagan's Central American policy, might finally suspénd all grants of military credit to the Nicaraguan contras. This possibility was raised this morning in Washington by influential Texas Congressman James Wright, speaker of the House of Representatives, who asserted that to consider funds for the contras after the Guatemala agreement would be to endanger the effort for a peaceful solution to the conflict in the region.

CHILEAN ON PATRIOTIC FRONT TRIALS, ACTIONS

PA100222 Havana International Service in Spanish 0000 GMT 6 Aug 87

[Interview with Pablo Gutierrez, Latin America representative of the Manuel Rodriguez Patriotic Front of Chile, by Gloria Carmona; date and place not given -- recorded]

[Text] [Carmona] Gutierrez, could you first tell us about the proceedings that the dictatorship has initiated against members of the Manuel Rodriguez Patriotic Front who are facing the threat of receiving death sentences?

[Gutierrez] The trials against our comrades began approximately 1 year ago, in August, when a large group of comrades smuggling weapons in the country's north were captured. Arrests were made at that time. Then on 7 September, an attempt was made to execute the dictator, and following that there were more arrests. Investigations for our comrades' trials began in August last year. The investigations are not over yet. One fact that has caught everybody's attention is that for a long time the progovernment media has been openly and broadly reporting that these comrades will definitely get death sentences. To us it is obvious that all this investigation, all this supposedly legal trial is nothing but a facade, a circus show to justify a sentence determined from the very beginning: the death penalty. The trials and investigations simply intended to justify the killings.

[Carmona] Can you tell us about the physical and psychological condition of these young people?

[Gutierrez] They have been beaten. First there were sessions of torture -- the many days they were held incommunicado mean torure. It was a long time. All their human rights have been violated. Even the laws instituted by the dictatorship have been violated.

[Carmona] On 15 and 16 July, 12 members of the Patriotic Front died at the hands of the police. The regime has tried to make believe they died during clashes; however, the Human Rights Commission has issued a report noting there were no such clashes and this was nothing but another crime committed by the fascist junta against young people struggling against the dictatorhip. What can you tell us about this?

[Gutierrez] We believe these 12 comrades are 12 martyrs of our people. They represent the price our people have to pay to have democracy and liberty. We would like to present these comrades not only as victims but as an example, as a commitment by our people to go on with our struggle. We believe that the tears that must be shed have to come out, at this moment, in the form of bullets. The death of these comrades must push us to struggle with more force to conquer democracy by fighting.

[Carmona] The Communist Party of Chile and the United Left coalition recently proposed promoting a massive mobilization in September. What does the Manuel Rodriguez Patriotic Front think about this?

[Gutierrez] Since the creation of the front almost 4 years ago we have always supported the demonstrations of our people. This is part of our principles. We were born to support the demonstrations of our people. Whenever the particpation of the front is necessary -- and we think that this particpation is necessary in all demonstrations by our people --- we will be present. We know that we will contribute, as we have done in the past, to improve the quality of the struggle, to hit the enemy ever harder. This September we will be present, as we have been in past Septembers and as we will be in future Septembers, with force.

COUNCIL OF STATE MEMBER TRENCILIO FIS DIES

FL111120 Havana Tele-Rebelde Network in Spanish 1100 GMT 11 Aug 87

[Text] Lazaro Trencilio Fis, member of the Council of State, was buried last Sunday in Esmeralda, Camguey Province. Trencilio Fis was born in August, 1956. He was member of the Youth Labor Army, was national vanguard of the National Sugar Industry Workers Union, and received the Sugarcane Harvest Hero Award. He was also delegate to the fourth Union of Young Communists congress and to the 12th World Festival of Youth and Students. He died at Havana's Hermanos Ameijeiras Hospital where the doctors struggled to save his life.

PANAMERICAN GAMES CELEBRATED IN INDIANAPOLIS

Team Suffers 'Provocation'

FL101233 Havana Tele-Revelde Network in Spanish 1100 GMT 10 Aug 87

[Text] A fresh provocation of the Cuban delgation participating in the 10th Panamerican Games has culminated in an incident at the conclusion of the Cuba-Netherlands Antilles baseball game.

Insults to the Cuban athletes and trainers by a group of persons of Cuban origin living in the United States led to the incident involving the provocateurs and some Cuban sports officials who were watching the game.

Authorities Respond

FL110152 Havana Television Cubana Network in Spanish 0000 GMT 11 Aug 87

[By Rene Calama]

[Text] The Indianapolis chief of police, [name indistinct], announced today he will not tolerate the disruption of the Pan-American Games and said there are groups which have arrived at that city for that purpose. I don't know which organization is responsible for the disturbances, but I can confirm that the seriousness [corrects himself] security will be reinforced, the police chief said during a joint news conference with Indianapolis Mayor William Hudnut, and the president of the Organizing Committee, Mark Miles.

A group of Cuban-born U.S. residents repeatedly provoked the Cuban athletes and one action culminated yesterday with an incident at the end of the baseball game with the Netherlands Antilles.

The Organizing Committee and the city's leaders take these events very seriously and as of today, we will adopt the necessary measures to prevent a repetition of similar events, said Miles.

Now, all we can do is wait and see if the Americans fulfill their promises.

Newsmen Criticize Facilities

FL061955 Havana Radio Reloj Network in Spanish 1808 GMT 4 Aug 87

[Text] The journalists at the Indianapolis press center are all asking themselves the same question: What is happening at the site of the 10th Pan-American Games? A journalist from the Brazilian daily, O GLOBO, has said: Here we are less in the know than in our own countries. The assertion is completely founded. The press handout service is nonexistent. The overseas postal and telephone service has been completely cut off since 1800 yesterday and no one has given briefings on the activities or on the teams that have been arriving. The little bit of news that reaches the world comes through conversation and hallway gossip, which makes you feel that if the situation continues, it will be more than difficult for the journalists to cover the competition. Nevertheless, it was learned today that the first Argentine athletes to arrive in Indianapolis had to spend the night outside the official village because they were not expected until a day later.

Castro Heads 1991 Committee

FL071333 Havana Radio Progreso Network in Spanish 1100 GMT 7 Aug 87

[Text] President Fidel Castro will head the committee organizing the 11th Pan-American Games in Havana in 1991. The announcement was made yesterday to the congress of that Pan-American sports organization by Conrado Martinez, president of the INDER [National Institute of Sports, Physical Education, and Recreation]. This forum is meeting in the U.S. city of Indianapolis where the 10th Pan-American Games will begin tomorrow. Martinez reported on the preparations the country is making for the next event and he said that the organizing committee will soon be announced in Havana.

ANTIGUA AND BARBUDA

OFFICIAL REPORT ON VERE BIRD JR RELEASED

FL101726 Bridgetown CANA in English 2245 GMT 7 Aug 87

[All names as received]

[Text] St John's, Antigua, Aug 7, CANA -- Antigua and Barbuda's public works minister, Vere Bird Jr. conducted himself in a manner unbecoming a minister of government," according to the findings of an official enquiry into a controversial U.S. 11 million dollar airport rehabilitation project he administered here.

Excerpts of the report released to CANA today quoted the sole investigator, retired Grenada chief justice, Sir Archibald Nedd as saying that he has "clear evidence" to support his assertion.

Sir Archibald said that Bird, while being minister responsible for public utilities, communications and aviation, also acted as the legal representative for and partner in a participating company, Maryna Limited, owned essentially by foreign businessman PatricK de Nedde.

The disclosure came as pressure mounted on Bird to resign or be dismissed over his handling of the 1986 airport project, which involved securing the funding, mainly from French banks and the award of contracts for various aspects of the programme to resurface the runway and rehabilitate associated facilities at the VC Bird International Airport.

Nedd, in his report, gave the following summary of facts upon which he formed his conclusion:

"The Honourable Vere Bird Jr, in 1983, when he was in private practice as Mr PatricK de Nedde's solicitor, incorporated a company known as Maryna Limited, the objects of which are to be found in the annex of this report numbered VII.

The company, judging from the objects, was principally interested in the construction of hotels and the hotel business. The Hon Minister was one of the "nominee" shareholders for the purpose of the incorporation of the company.

"He and his co-shareholder, his secretary, were directors of the company and he was its chairman, an office which, according to the undated notice of resignation bearing his signature which is annexed hereto and numbered IX, he held until 6 July, 1986 when he resigned as chairman and director and surrendered his share.

"Up to this point in time and from April 1984 the Hon Minister had been wearing three (3) hats (a) one as minister responsible for public utilities, communications and aviation; (b) a second as chairman and director of and shareholder in Maryna Ltd; (c) a third as Maryna's legal representative, because he himself stated in cabinet that he had ceased to be Patrick de Neddes or Maryna's lawyer about five months previously.

"This statement was made in the month of October, 1986, which means that he ceased in May, 1986 to act as legal representative to the company of which he was chairman up to July 1986 or of Patrick de NeddE, with whom he admits he had become friendly.

"He collaborated with Patrick de Nedd in the latter's representation of himself as chairman of Maryna Ltd., even going to the extent of addressing de Nedde as chairman in a letter in which he sought his (De Nedde's) assistance in getting a competent engineering construction firm and funding for the project.

"Mr de Nedde produced BFS (Building Finishings system), which had been brought to Antigua by him (De Nedde) in connection with hotel business which never got off the ground.

"As minister he (Bird) appointed Maryna Ltd., of which he was still a director and the chairman, as engineer under the terms of the contract for the purpose of rehabilitation of the airport.

"He actually signed as minister an agreement with Mr de Nedde, purporting to act as chairman of Maryna Ltd., by which it was stated in clear and unambiguous terms that Maryna Ltd, was to be paid U.S.670,020 dollars in fees in connection with its supervision of the airport project.

"This document is annexed hereto as annexture xvi. This was stopped by the financial secretary and was replaced by the agreement dated 26 March, 1986 between the cabinet secretary and Maryna Ltd. represented by Mr de Nedde.

"It is my considered opinion that any minister who places himself in a position when he may, and not without some justification, be even suspected of mishandling for his own purposes funds provided for a particular project can properly be said to have misconducted himself in the office of minister of government and more so, when he persists in "wearing three hats" all at the same time, each incompatible with the other." [quotation marks as received]

"I should mention that for the purposes of the agreement, Patrick de Nedde was therein stated to be Maryna's representative. It seems to me that Patrick de Nedde or Maryna Ltd. was "running with the hares and hunting with the hounds," taking money from both the contractor and the employer -- a most unsavoury situation to which the Hon. Minister Vere Bird Jr, would appear to have been a party."

Sir Archibald, however, added: "I have no evidence before me to support an allegation of criminal wrongdoing on the part of anyone connected in any way with the project. There have been statements made suggesting misappropriation of funds procured for the project. I find as a fact that of the total sum of U.S. 11,475,000 procured for the project and paid to Les Chantiers Modernes, the company's expenditure amounted to U.S. 10,284,000. This is shown in the price breakdown put into evidence by Mr Duchaillut of Les Chantiers Modernes, Les Chantiers Modernes therefore made a profit of U.S. 1,191,000.

"It may well be that the costs were inflated so as to realise a large margin capable of being shared among Les Chantiers Modernes and the others having to do with the project but I have no evidence to support any such conjecture. Be that as it may, the invoices quoted by Les Chantiers Modernes in the statement of monies received by them by virtue of those invoices correspond with the invoices and vouchers showing payment of the said sums to Les Chantiers Modernes which were put into evidence.

"In the absence of any positive evidence to the contrary which may have been withheld I find that the funds obtained by the Government of Antigua and Barbuda for the implementation and carrying out of the airport project were properly applied and utilized."

The government-aligned Antigua Trades and Labour Union (AT&LU) today urged Prime Minister Vere Bird Sr to sack Bird Jr, his eldest son. The call was contained in a union resolution passed Wednesday, a copy of which was handed to the prime minister this morning. Most of Bird Jr's cabinet colleagues are also calling for his removal. The prime minister is yet to comment publicly on the issue.

Bird Responds to Report

FL111840 Bridgetown CANA in English 2149 GMT 8 Aug 87

[Text] St John's, Antigua, Aug 8, CANA -- Antigua and Barbuda's Public Works Minister, Vere Bird Jr, said today he acted properly as a minister while he was responsible for securing funds from a consortium of French banks and overseeing the controversial 1986 airport rehabilitation project here. Bird, is [as received] former aviation minister, said: "At no time did I award any lucrative contract to any company dealing with the U.S. Bird International Airport rehabilitation, nor any company of which I have been associated with in the past."

Retired Grenada chief justice Sir Archibald Nedd, who investigated the airport project after opposition allegations of wrongdoing, found that "As minister he (Bird) appointed Maryna LTD., of which he was still a director and the chairman, as engineer under the terms of the contract for the purpose of rehabilitation of the airport." "It is my considered opinion that any minister who places himself in a position when he may, and not without some justification, be even suspected of mishandling for his own purposes funds provided for a particular project can properly be said to have misconducted himself in the office of minister of government and more so, when he persists in wearing three hats" all at the same time, each incompatible with the other," added Need [name as received], who found no evidence of criminal wrongdoing. [quotation marks as received]

Bird has resisted calls, including from his cabinet colleagues, for his resignation and his father, Prime Minister Vere Bird, Sr has been pressured to sack him. Bird Jr said copies of all documents pertaining to the project were always made available to the prime minister and senior government officials who wer also always present during negotiations for and on behalf of the airport rehabilitation works. Bird said his only contract association with a company was with Maryna Limited which was "a fait accompli to Antiqua and Barbuda because this was the choice of the French banks, the French Government Insurance Company, 'Coface' who had chosen the company to look into their interest."

He said at the time when the company was structured, he was a nominee. "In an offshore company, a nominee has no beneficial interest. His only association is a nominal one for purpose of leaving the veneficiary business behind the corporate veil," Bird said. He said at all times when his signature was used, it was used in the capacity of a nominee. "I remained a nominee. As a signatory in association with the company I did so in the capacity of a nominee only, and not as a person having any beneficial intertest in the corporation," Bird said. "At that time, I was not a minister of government and since 1983, the company has been, in fact, under the chairmanship of persons other than myself," Bird added. "Since becoming minister, the law office of Bird & Bird was operating under a junior associate and the legal work was done by him, not me," he continued. Bird said that he had not beneficial interest in Maryna Limited, adding that the initial contract with Maryna Limited was drawn up by Lloyd Lockoo, legal advisor to the airport project, and the second one by Mr Clare Roberts, the then solicitor general. "In fact, the only role in which I acted was that of the minister of government and properly discharged my duties in securing the rehabilitation of this airport," Bird said.

DOMINICAN REPUBLIC

CABINET RESIGNS AT PRESIDENT BALAGUER'S REQUEST

FL112031 Mexico City NOTIMEX in Spanish 1855 GMT 11 Aug 87

[Text] Santo Domingo, 11 Aug (NOTIMEX) -- The ministerial cabinet of the Dominican Republic today resigned after last night's speech by President Joaquin Balaguer during which he demanded freedom of action on the eve of his first anniversary in power. The message was broadcast to the country by radio and television.

During his speech, he requested his ministers voluntarily place their positions at his disposal as of 16 August to facilitate the changes in the governmental team. President Balaguer's request excluded Armed Forces Minister Lieutenant General Antonio Imbert Barreras, the Dominican Air Force chiefs of staff, the National Army, Navy, and National Police Chief Rafael Del Socorro Payamps.

Among the officials whose resignation was also requested was Central Bank Governor Luis Julian Perez.

Balaguer's message was preceded by serious social and economic tension which has recently expressed in a general strike called by the principal trade unions of the country and which, at the same time, requested changes in the ministerial cabinet to calm the protests.

HAITI

GROUPS ISSUE COMMUNIQUE ON EXAMS, 'EXILED' PRIEST

FL112203 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 11 Aug 87

[Text] Here is a press statement signed by Solidarity Among Judicious Youths [Solidarite ant Jen Saj], "Keep-an-Eye-on-Them" Cooperation Group [Koumbit Veye Yo] and the laymen in the Saint Jean Bosco Committee [laik nan Komite Saint Jean Bosco].

For all doubting Thomases, the students have shown clearly they will not take the baccalaureate exam as long as the macoute National Government Council [CNG] is in power. There have been many intimidatory maneuvers, and much pressure, in an attempt to meet the commitment the minister made to the upper classes who need a document so their children can get into universities overseas, while the university here is in total disarray.

Everyone now sees clearly that this fake baccalaureate exam is a political maneuver aimed at showing international public opinion that the macoute CNG is in control of the situation in Haiti.

Today, the cards have been reshuffled, and the church's reactionary sector has entered the game. The macoute CNG has thrown in its lot with the church hierarchy and with the bourgeois reactionaries in order to crush the movement of the People's Church and of all the progressive sectors in the country. At a time when all eyes are on the matter of the fake baccalureate, Father [Bertrand] Aristide, one of the progressive priests giving the poor their place in the church, is in trouble. They are going to exile him to Rome. Meanwhile, they are sending him to Croix des Missions for a short layover, in an attempt to calm the people down.

We, the young of Saint Jean Bosco [parish] (?on) the Grand Rue, say to the apostolic nuncio and the entire clique that is behind him: You had better watch what you are doing! Father Aristide is not going anywhere. He has only just begun to struggle -- with us -- to get the macoute CNG and the entire clan of Macoutes to go away so that life will have a chance to blossom in Haiti.

For this reason, we ask everyone involved in the struggle to come and help, so that the Father Aristide "coup" -- the coup against this member of the Fathers of the Holy Spirit -- will not happen again.

ZEL Reiterates Support

FL112345 Port-au-Prince Radio Metropole in Creole 1600 GMT 11 Aug 87

[Text] The position of Students Affairs [ZEL] -- one of the organizations which, together with the Union of Port-au-Prince Students [Inyon Elev Potoprens], called for a boycott of the baccalaureate exams -- remains unchanged. ZEL says it declares before the nation, before God, and before the tribunal of history, that the baccalaureate document has zero value if acquired under the existing National Government Council [CNG], which is guilty of high treason under Article 21 of the Constitution of 1987. That is why the CNG should resign quietly, if it wants the people's pardon.

According to ZEL, the demonstration of school children on the first day of the strike of indefinite duration showed Minister Dalencourt that this is only the tip of the iceberg.

ZEL had asked that there be noisemaking today at 0800, 1000, and noon, but we did not hear any noisemaking -- at least not in downtown Port-au-Prince.

BIP Calls for Support

FL112252 Port-au-Prince Radio Lumiere Network in Creole 1330 GMT 11 Aug 87

[Text] The Bloc for Patriotic Unity [BIP], in a press statement, states its position:

Today, Tuesday, we salute the young in Haiti who consider the nation more important then a diploma. We also salute the parents of those youths, who are standing firmly by their children to block the progress of fascism.

We who make up the BIP -- the National Patriotic Movement of 28 November [Mouvement National Patriotique du 28 Novembre -- MNP-28], the Nationalistic and Progressive Revolutionary Party of Haiti [PANPRA], and the National Democratic and Progressive Party of Haiti [PNDPH] -- ask the two or three young people who are going to take the exam not to let the National Government Council [CNG] catch them in the same kind of trap in which Francois Duvalier caught Roger Lafontant, Bob Germain, and a few others in 1960, at the time of the student strike. We want to tell them it is not too late. They must return to the people's camp immediately.

BIP issues an urgent appeal to the people: the unions, workers, peasants, unemployed, intellectuals, merchants, and industrialists to form a bloc and support the students so that all their demands will be met. BIP points out that if everyone had formed a single bloc with the students in 1960 when they were demanding the departure of Francois Duvalier, we would not be under the yoke of this CNG today.

Long live youth. Long live the Constitution of 1987. Long live democracy and all the democrats supporting the struggle of the Haitian people.

More Students Register

FL120111 Port-au-Prince Radio Metropole in French 1600 GMT 11 Aug 87

[Excerpts] The number of candidates taking the 1987 baccalaureate exams increased a little at certain test centers in the capital today, and according to information obtained from the people responsible for the centers, there were no incidents on this second exam day. The military presence in front of the test centers are apparently a little less inhibiting on this second test day.

Some 4,500 candidates took the test on the first day. Today, certain centers noted an increase in students. [passage omitted]

Here is what Mr Pierre C. Alexandre [official in charge of the test center at Sainte Rose de Lima, a large Catholic girls school in Port-au-Prince] told Radio Metropole: [passage omitted]

[Begin recording] [Alexandre] There is a very big difference between today and Monday, 10 August. There are fewer students present, but I must say that... [changes thought]. Yesterday, there were really many more candidates present, but among them were students who did not want to take the test, including some agitators. The students who showed up today are, for the most part, well-prepared students, and very probably students who have chosen to obey their parents and who have taken into consideration the effort their parents have made to provide them with an education.

[Reporter] Under what conditions are they taking the test today? Have there been any moments of panic?

[Alexandre] No, there have been no regrettable scenes, like the one yesterday, which was provoked by certain students, manipulated or... [changes thought] a scene which forced us to cancel yesterday's exam. We were unable to give the test yesterday. Today, as I just told you, the atmosphere is one of serenity. The students have accepted the four topics on Haitian history proposed and the obligatory questions on science, history and geography proposed by the Ministry of National Education.

[Reporter] In your opinion, do you have more or fewer students?

[Alexandre] There are fewer students today than yesterday, but I personally prefer it this way, because most of the students here yesterday were rather subversive types. They were people who had come with a particular goal in mind: that of disturbing the peace at the center, which was what caused the incident or which we were speaking -- the incident involving Mrs [Franck] Paul [the mayor of Port-au-Prince, who is also secretary of state for education]. [passage omitted] [end recording]

FRENCH COMMUNIST PARTY SENDS SOLIDARITY MESSAGE

FL062135 Port-au-Prince Domestic Service in Creole 1300 GMT 5 Aug 87

[Text] The French Communist Party, in a message of solidarity to the Unified Party of Haitian Communists, yesterday saluted the courageous struggle of the Haitian people who want social justice, respect for human rights and freedom written into the new constitution to become a reality.

The French Communist Party firmly condemns the bloody repression of the large peaceful demonstrations of the Haitian people by General Namphy's provisional National Government Council, together with the Tonton Macoutes, who are still armed.

The message continues to say that poverty has increased since Jean-Claude Duvalier fell from power, and under pressure from Washington, they are doing all they can to maintain the infelicitous [move] system of oppression and exploitation that the Haitians reject.

TRINIDAD AND TOBAGO

DEMONSTRATORS PROTEST GOVERNMENT POLICY

FL111858 Bridgetown CANA in English 2257 GMT 7 Aug 87

[Text] Port-of-Spain, Trinidad, Aug 7 CANA — About 800 people today demonstrated outside parliament against government policy. Protestors from farmer's organisations, workers on government's job-creation Development and Environmental Works Division (DEWD), and employees from state-run National Flour Mills (NFM) marched around parliament most of the afternoon. The DEWD workers want the re-instatement of their ten-day work programme continued this month on a limited basis by government who said last week DEWD funds for 1987 had run out.

NFM workers, protesting under the banner of the Seamen and Waterfront Workers Trade Union (SWWTU), marched separately protesting over a government directive on the sale of NFM products which the union says will lead to job cuts in the company.

Local farmers have been demonstrating outside the Red House every Friday for the last three weeks seeking discussion with food production minister, Lincoln Myers, on a number of issues. The protestors put up umbrellas and continued during the afternoon's intermittent showers.

When the other two groups had left, DEWD workers cheered into parliament the entry of opposition MP Morris Marshall, who had organised the march around parliament two weeks ago. The crow also cheered as a motorcade carrying Trinidad-born Miss World, back on a brief visit home, passed on Abercromby Street outside Red House.

The DEWD workers later booed Prime Minister A.N.R. Robinson as he entered parliament and MP for Caroni East and general secretary of the ruling National Alliance for Reconstruction (NARA), Dr. Bhoe Tewarie.

Tewarie displayed his own banner to the protestors and later in parliament stating is protest the answer? This is 1987 and not 1937. He was ruled as out of order for bearing the placard in the parliament chamber.

SAN FERNANDO MAYOR TO QUIT POLITICS

FL111937 Bridgetown CANA in English 1651 GMT 7 Aug 87

[Text] San Fernando, Trinidad, Aug 7, CANA -- San Fernando Mayor Rakeeb Hosein says he is quitting politics and will not seek re-election in forthcoming municipal elections. Hosein says he is also resigning from the People's National Movement (PNM).

When I assumed office in 1983, I indicated to the nation I was not a PNM mayor, Hosein told CANA.

Hosein said he was not leaving the PNM out of any bitterness but that he had fought 1983 local elections on a PNM ticket in order to serve the people of San Fernando, the country's second city.

PNM mayor for the capital, Port-of-Spain, Steveson Sergeant, has also hinted at not returning to the polls, whilst no word has yet been heard from the two other PNM mayors Leroy Morris of Arinma and Victor Chin Kitt of Point Fortin.

Elections Scheduled for 14 Sep

FL112211 Bridgetown CANA in English 2143 GMT 11 Aug 87

[Text] Port-of-Spain, Trinidad, Aug 11, CANA -- Local government elections will be held on September 14, the Prime Minister's Office announced tonight in a brief statement. The elections will provide the first test of the popularity of the administration of prime A.N.R. Robinson whose National Alliance for Reconstruction (NAR) won power in a landslide last December.

The last municipal poll was on August 8, 1983. Then the NAR won control of six of the seven major country councils while the People's National Movement (PNM) held one county and the four municipal authorities. Local polls were due last August but were postponed in the run-up to the general elections.

The local elections will take place without such dominant personalities as NAR Council Chairman Suruj Rambachan and Mervin Assam, who are about to leave to take up overseas ambassadorial positions in Brazil and London respectively, and San Fernando PNM Mayor Rakeeb Hosein, who last week announced his retirement from the office and party.

Political analysts are predicting a low turnout at the polls following the surge in public interest for the general election which saw the country's first change in government in thirty years.

LEGISLATOR CALLS ICJ SUIT 'SLANDEROUS DOCUMENT'

PA111740 San Jose Radio Reloj in Spanish 1245 GMT 11 Aug 87

[Text] Nicaragua has formally presented the report or charges against Costa Rica at The International Court of Justice [ICJ] at the Hague, according to Legislative Assembly President Fernando Volio. The National Liberation Party deputy commented that this action is truly a fraudulent one. Therefore, Costa Rica should not let down its guard in relation to the entire peace plan because what Costa Ricans believed has come true; that is, one could hardly believe that the Nicaraguans would sign something and honor their signature. The Nicaraguans are confirming now that this is the case about which they care the most at this time.

By presenting the charges, or the report with all the charges, [words indistinct] Costa Rica is being put in a position of discredit before the EEC, and is presented as breaking international laws, Deputy Volio said. He added that Costa Rica is being presented as an attacking nation at a time when it is promoting a different atmosphere, one of peace, thanks to the many efforts and the determination of President Oscar Arias.

The president of the Legislative Assembly stated that Costa Rica now must study its response to these charges. Volio noted that Costa Rica must analyze this, because Costa Rica will be tried, but it is assumed that in the end, Nicaragua will withdraw the charges, if it is to comply with its promise as regards the ICJ. Nevertheless, the damage has been done to Costa Rica because the document has been made public, and all Costa Rica can do is to say that this report is groundless.

The point subject to criticism of the Nicaraguan position is that it has (?presented) publicly a slanderous document, Volio said.

Volio, who is also a member of the attorney's commission preparing the Costa Rican defense at the ICJ, explained that Nicaragua withdrew its charges, but that it later presented this report. It is necessary to note that despite the official notice by the Sandinist Government last Saturday that it was withdrawing the charges, Deputy Volio Jimenez said he had reservations about what would occur yesterday, when the term for Nicaragua to explicitly state its charges expired.

SECURITY, FOREIGN MINISTERS ON PEACE AGREEMENT

PA100117 San Jose Radio Reloj in Spanish 0100 GMT 9 Aug 87

[Text] Security Minister Hernan Garron said here that Daniel Ortega did well in withdrawing the suit against Costa Rica. The president of Nicaragua acted very wisely and the reaction has been excellent; it should have never been necessary to present the charge before the International Court of Justice at The Hague. I believe the Nicaraguan president has acted very intelligently and that his attitude has changed because he has entered a road he had been invited to travel several years ago, the security minister said.

Concerning the benefits to be derived from signing the peace plan, he stated that tension will diminish, and even though the guards will not be withdrawn from the northern border, the situation is beneficial for the urban area, where [words indistinct].

Foreign Minister Rodrigo Madrigal Nieto said there is still much to be done. I will soon travel to El Salvador where long meetings among the foreign ministers and the verification committees await us because the plan cannot say on paper, it must be implemented, the Costa Rican diplomat said.

Radio Reloj recorded the impressions of Foreign Minister Rodrigo Madrigal Nieto concerning the civic celebration taking place in Costa Rica today, Saturday, upon the arrival of President Arias because of the achievement reached in Esquipulas II.

[Begin recording] [Madrigal] In my opinion it is traditional that the people express affection and approval for a good cause, and this time we have felt the warm and generous support of the people of Costa Rica because this was a very difficult task, but it has been fulfilled with great success.

[Reporter] What is the future of the Central American peoples now with the peace plan?

[Madrigal] Well, we cannot proclaim victory yet; this is just one point scored for peace.

[Words indistinct] which is really the only basis for peace. [Words indistinct] the pact leaves in the hands of an executive commission of the foreign ministers all the implementation. We have a hard and difficult task which begins soon. (?in 10 days) I have to go to El Salvador to attend a meeting that will be long and difficult.

[Reporter] Was Reagan's peace plan undervalued?

[Madrigal] No, not at all. It was not undervalued. Why should it have been? It was another contribution. It had a different line, that of a bilateral contact, especially with Nicaragua. I always said when I was in Guatemala that I thought it was a constructive contribution. It was not the topic that was to be discussed there because we had been working for months [words indistinct] President Arias' peace plan. I always believed President Reagan's peace plan was a constructive [words indistinct] and useful, helping to resolve the problems. I do not [words indistinct] or undervalue it. [end recording]

UNGO: 'INTERNAL DIMENSION' OF SUMMIT PLAN IMPORTANT

PA110028 San Salvador Canal 6 Television in Spanish 0100 GMT 10 Aug 87

[Text] FDR President Dr Guillermo Manuel Ungo has called on the government to unilaterally decide to agree on a cease-fire with the guerrillas and renew the dialogue, as it had signed the Esquipulas II agreement where the need for national reconciliation was expounded. The representatives of the political coalition allied with the guerrilla front stated in a telephone interview that President Jose Napoleon Duarte must prove what he signed in Guatemala City, because it is one thing to say something, and another to do something. Guillermo Manuel stated that the Costa Rican plan has positive aspects, because it calls for a certain degree of autonomy for the Central American governments from the United States.

[Begin Ungo recording] Really, in the Central American conflict, the regional dimension is the least important. San Salvador is not Nicaragua. For us, the most important aspect is the internal dimension; it is the one that has more weight, and the one that determines matters the most. In this respect, the one aspect that disturbs, that bothers, is the ever-increasing interference of the United States; that is, the extraregional dimension. Our fundamental premise is that the Central American presidents, the Contadora and Support Groups, and the international community help us reach the situation where only Salvadorans resolve our conflicts, among ourselves. They should all contribute to this goal: To ensure that we reach internal solutions. However, we would still have to warn Salvadorans not to demobilize, not to go to sleep believing Contadora will resolve our problems. Neither Azcona, nor Arias, nor Cerezo will resolve our problems. We are the owners of our own destiny, and that is why we must insist in our own efforts, in our own struggle to obtain the renewal of the internal dialogue between the government and the FDR-FMLN. [end recording]

FDR President Guillermo Manuel Ungo reported that the rebel coalition will soon officially comment on the advantages an disadvantages of the Arias plan, which has been signed by the five Central American presidents. He noted that it is important that the belligerent forces participate in any peace treaty and that it is a mistake to try to solve regional problems without taking into account the internal problems of each country.

PRESIDENT ORTEGA ON SUMMIT PANEL, ICJ SUIT

PA120220 Managua Domestic Service in Spanish 0035 GMT 12 Aug 87

[Text] Comrade President of the Republic Daniel Ortega Saavedra, after meeting with Cardinal Miguel Obando y Bravo, met this afternoon with representatives of 11 political parties, including 6 represented in the National Assembly and 5 extra-parliamentary parties.

He gave them each a copy of the document signed by area presidents in Guatemala establishing procedures to achieve a firm and lasting peace in Central America. The comrade president also gave them a note asking them to appoint the slate that will represent them before the Commission for Dialogue on National Coalition within the next 15 days, beginning today.

Diplomats of Central American countries, the Contadora and Support Groups, the OAS, and the United Nations were also present in this meeting with Comrade President Daniel Ortega. Following are the comrade president's statements:

[Begin Ortega recording] This should lead us to act with the highest degree of rationality [words indistinct] the deadline set to simultaneously put all these agreements into effect, to make these commitments a reality on that date.

It will end [words indistinct] the political parties legally registered in Nicaragua, the Nicaraguan Government, the Catholic Church [words indistinct] and all sectors of this nation [words indistinct] defending independence, self-determination, and sovereignty from foreign aggression, be able to take the appropriate steps within the constitutional framework to contribute to peace and bring a demand from our people to fruition.

Therefore, we wanted to do our part this afternoon by handing to the representatives of political parties [words indistinct] document signed by Central American presidents in Guatemala. This document specifies procedures to achieve a firm and lasting peace in Central America.

We also want to ask you to [words indistinct] appoint the slate that will be presented the principals and alternates who will be part of this commission. This document specifies a deadline beginning today. We are handing you this document today [words indistinct] today, 11 August; you will have 15 days to present your slates, to contribute to this peace effort [words indistinct] being promoted by Central American heads of state. We believe this must be a [words indistinct] step that should involve all political groups in our country [words indistinct]. [end recording]

Moments later, the comrade president was questioned by newsmen at the Cesar Augusto Silva Convention Center. He commented on a situation created by certain interest groups in Costa Rica.

[Begin recording] [Ortega] [Words indistinct] find a solution to this situation. Upon arriving in Managua the next morning I contacted President Arias [?in Guatemala) and I conveyed to him the decision of the Nicaraguan Government to withdraw its suit. [Words indistinct] atmosphere of peace in the Central American region and as a gesture of the Nicaraguan people toward the sister people in Costa Rica.

We continue making efforts while respecting legal mechanisms established in [words indistinct]. This has brought, in Costa Rica, a campaign to cast doubt on the good faith of Nicaragua and its decision to withdraw its suit. I wish to make clear that Nicaragua respects the International Court of Justice [ICJ] and established legal mechanisms and is taking the appropriate steps to withdraw its suit.

The last step to withdraw the Nicaraguan suit at the ICJ will be formalized tomorrow. We wanted to make this clear because [words indistinct] sectors in Costa Rica interested in hurting the peace efforts of President Arias and spoiling this atmosphere of cordiality that has been established in the wake of the signing of the Guatemalan agreement, and above with the objective of upsetting the Sandinists [words indistinct] the sister people of Costa Rica. Thank you very much.

[Question indistinct]

[Ortega] [Words indistinct] to discuss the creation of the commission. That was the most important issue discussed. We also discussed other issues such as the radio and other pending issues. The solution will depend on meetings of church-state dialogue commissions. We are determined to resolve those problems.

[Question indistinct]

[Ortega] When the time comes.

[Reporter] (?What happened) in Costa Rica today?

[Ortega] There was a [words indistinct] by groups interested in making believe that Nicaragua is not complying with a (?promise) to President Arias to withdraw our suit against Costa Rica from the ICJ. We are following legal mechanisms at the ICJ to carry this out. We will take the final steps to definitely withdraw the suit [words indistinct] within 90 days or simultaneously within 90 days [words indistinct] current situation, as the document specifies.

[Reporter] (?It seems) only Nicaragua is taking the first steps; do you know of other countries that are following suit?

[Ortega] No, I believe there is a willingness from all Central American governments, and I am sure those that have not taken steps will do so in the following days, because they have 5 days to take this step. [Words indistinct] even Honduras. I am confident that Honduras, El Salvador, and all other Central American countries will take the appropriate steps, in keeping with the document we signed in Guatemala. [end recording]

BARRICADA CALLS GUATEMALA SUMMIT 'LANDMARK'

PA111856 Managua BARRICADA in Spanish 8 Aug 87 p 3

[Editorial: "Historic Commitment to Peace"]

[Text] The Esquipulas II meeting culminated in the five area presidents' signing a document entitled: "Procedures for Establishing a Strong and Lasting Peace in Central America." Such a result is a landmark in the struggle by the people of the region to defend their common interests.

The Guatemala summit has shown the potential for Central American unity in defending sovereignty and peace. As in the past century, unity has risen above political and ideological differences to confront U.S. intervention and prevent a conflagration in the region.

The successful holding of the meeting and the signing of the document show that the long and winding road which the Contadora Group has walked and promoted has been valid, justified, and correct because it expresses the Latin American commitment to contain war through dialogue and concerted effort, not through the confrontation in which others have sought to involve our countries.

Likewise, the summit demonstrates another important concept: Central Americans can and must solve conflicts and differences on their own, on the basis of negotiations and mutual respect and with the main objective of advancing toward peace.

Moreover, it also shows the defeat of those that sought to divide Central America, spill the blood of our peoples, stir conflicts, create confrontations, and heighten international tension, for their own benefit.

The Guatemala summit, which began in a climate of uncertainty and direct U.S. interference, managed to achieve a consensus favoring peace within a framework of strengthening similarities and reducing differences. This fact demonstrated the lack of sincerity in the manipulative U.S. proposal. For that reason, the successful culmination of the summit entails a double defeat of historic proportions for the enemies of our peoples.

We have entered another phase in the struggle for peace. It is difficult, but our situation is better. From now on, we must defend and guarantee the implementation of the agreement by insisting that dialogue and negotiations are the only way to settle our differences and the only option for civilized nations.

RADIO AIRS GOVERNMENT'S 'REPORT TO THE NATION'

PA120355 Panama City Domestic Service in Spanish 0038 GMT 12 Aug 87

["Special program: 'Report to the Nation,' featuring Panamanian ambassador to the United Nations Jorge Eduardo Ritter; special Panamanian Ambassador to Washington Aquilino Boyd; Panamanian Ambassador to the OAS Roberto Leyton, Consul General of Panama in New York Jose I. Blandon and Deputy Foreign Minister Jose Maria Cabrera as moderator in New York; and introduction by Rafael Bolivar Ayala in Panama City -- live]

[Text] [Ayala] Televison Nacional, Channel 2; Radio Tevedos, and the national radiobroadcasting system are particularly pleased and proud to present this special program which has been called "Report to the Nation." Why?

For months, a group of Panamanians, along with U.S. political sectors, have developed an intensive, irresponsible disinformation campaign, which is closely and intimately related to the seditious, destabilizing plans against our democratic structures and institutions.

Out of respect for our people and local and international public opinion, we present, live, our most authoritative diplomatic representatives accredited to the United States, who will present a report to the nation about the truth behind the disinformation against Panama and the backdrop of the anti-Panamanian campaign in the United States.

Without much introduction, we now present Acting Foreign Minister Jose Maria Cabrera.

[Cabrera] I have the honor of presenting to national public opinion the distinguished members of the diplomatic corps accredited to the national government who are here with us tonight: Ambassadors Aquilino Boyd, Roberto Leyton, Jorge Eduardo Ritter, and Consul General [in New York] Jose I. Blandon, who will outline for you the situation in the United States regarding the problems we are currently experiencing in Panama. Because of the importance of the reports to be presented tonight, we have thought it wise to present them to public opinion in keeping with a tradition of open diplomatic concerning or country's relations with the big northern power. I present Ambassador Aquilino E. Boyd.

[Boyd] Mr Acting Foreign Minister, Messrs Ambassadors, fellow citizens:

During the past month, I held meetings in Washington with officials of the Reagan administration, congressmen, military men, members of the media, and friends who have always been interested in relations between the United States and Panama. The purpose of these meetings was to explain recent developments in our country, present the government's viewpoints, express our desire to evolve toward total and complete democracy, and to thus try to improve bilateral relations between the two countries, in an attempt to prevent the situation in Panama from leading us to undesirable extremes.

It is necessary to say, for the record, that all conversations and exchanges of views began from the basis of purely and strictly nationalistic positions, which I have maintained throughout my life and which is very well known in official U.S. circles, beginning with the efforts in favor of Panamanian workers, led by Jose de la Rosa Castillo, through which we succeeded in getting the U.S. minimum wages applied to Panamanian workers in the former Canal Zone; and also by the repercussions of the march for sovereignty organized in 1959 with Professor Ernesto Castillero and a host of brave compatriots.

The lessons of the past teach us how to [words indistinct] new problems as they arise and teach us to maintain the attitudes that at that time resulted in considerable progress in the struggle against the discrimination represented by the gold roll and silver roll [classifications applying, respectively, to U.S. and Panamanian workers in the Canal Zone] and led President Eisenhower to order our flag to be raised in the canal area.

At times I have deemed it advisable to remind the current U.S. leaders of the meaning of [incidents of] 9 January 1964; of the demonstrations by Panamanians in New York, led by Professor Carlos Russell in the Pocono Mountains, in Pennsylvania, in 1974; and the development of the struggle for Panama's effective sovereignty over the Canal Zone, because the generational struggle is irrefutable historical testimony of Panamanian's capacity to sit at a negotiating table before arriving at fratricidal violence.

I felt that this was advisable because we cannot allow them to forget the nature of the great national cause, which was a long struggle until 1977, and which must now lead us to a definitive realization in the year 2000. I have also explained in Washington how the political, economic, and social problems that had accumulated for several years were worsened in 1984 by very close election results. The tensions that arose at that time found a detonator in the statements made by Roberto Diaz Herrera. When the opposition, not wasting any time, added fuel to the fire of the people's fantasy, disorders began to take place day after day until the government found itself forced to adopt measures to establish order that, regretfully, have had a profound impact on Panama's society even though the public forces demonstrated the professionalism that has been recognized by impartial observers.

Some human rights -- which have been a constant concern of all Panamanian governments, as shown in the records of all international organizations of which we are members -- have been restricted. We are pained by the emergency measures against freedom of speech and individual guarantees motivated by the disruption of public order and we express our hopes for a prompt return to normalcy.

We do not like to restrict constitutional rights, but, on the other hand, we cannot allow disruption of normal life and peace. Since I realize it is very easy to blame one of the sides, I must point out that the government has only acted in reponse to violent disturbances and all sorts of provocations.

The past can be debated ad infinitum, but to debate the future we need to be prudent, responsible, and mature. Since we realize the dangers [words indistinct] leading us to a more fair, more prosperous, and more human future.

Although this conclusion is internally binding, abroad we are facing different factors making our work more complex and difficult. On 27 July, Colonel Diaz Herrera, retired, recanted statements made before the Republic's assistant prosecutor. He also claimed to have no evidence backing what he had said. In the United States, the press and other media refused to give due importance to this new and claims of freedom of speech were restricted to isolated instances of succinct and brief reports on what had apparently been the origins of everything -- and all this under the assumption that news is not manipulated in that country.

I would like all Panamanians to realize to what extent this aspect of the problem is serious. As an example, I can tell you that if we receive $1 for each slanderous word, half-truth, distorted report, and incredible exaggeration, that has been published in U.S. papers, we could pay the entire Panamanian foreign debt and we would still have money left.

This situation involving the U.S. press has been accompanied by other events that are equally unacceptable and detrimental to Panama. If in March the Senate had approved a resolution against Panama describing our country in a vile manner as the largest drug trafficking center, now, based on Diaz Herrera's statement, it has approved a resolution, which, as I already said, unleashed a storm of acid rain, which had poisoned the waters of friendship between Panama and the United States.

We have been forced to confront Panamanians in Washington who have said they feel proud for having contributed to the congressional approval of such an outrage. Although it might seem inconceivable, men born in this land of ours have celebrated the action of those foreigners, whom they called courageous U.S. congressmen.

I have tried to carry everywhere the protests of President Delvalle, Foreign Minister Abadia, the National Assembly, the Supreme Court, the Defense Forces, and civic groups and institutions who saw our national dignity damaged, and an editorial appeared in the 30 June 1987 edition of LA ESTRELLA DE PANAMA which is the most eloquent instrument of the outraged scream of Panamanians in the face of the outrageous behavior of the legislative branch of a country that should show respect and consideration to us for many reasons.

In our attempt to reconstruct a national image, which has been clumsily damaged, the popular demonstration of Friday, 31 July, was greatly useful, because it served to show to all of America and the entire world that the Panamanian people are far from withdrawing support for a populist regime, which at a relative social cost has shown concern for the welfare of the most needy without neglecting those who were able to build up their wealth through the system of free enterprise existing in Panama.

International peace and security cannot be maintained if basic rules that the United States know well are not obeyed. Those rules apply to them also and they are: the sovereign equality of states; self-determination of peoples; nonintervention in internal affairs of other states; prohibition to attack in any way the integrity or political independence of any state; and the duty to comply with commitments specified in treaties in good faith.

They must know that if the rules of the game are not respected, security and peace among nations is jeopardized. I had to remind them that for about 8 years, during which Torrijos-Carter Treaties have been in force, Law 96-70, which Panama has denounced on numerous occasions, continues to be applied, but they have never been able to accuse the Panamanian state or the Defense Forces of not having faithfully complied with its commitments.

Why is it that they do not respect the good name won for Panama by General Omar Torrijos when he internationalized the cause of the Panamanian sovereignty over the canal during the meeting of the UN Security Council here in 1973?

What is the reason behind their attempt to discredit the Panamanian armed institution that exemplarily fulfilled its commitment within a UN peace mission in the Middle East in 1974? At that time, and in regard to those Panamanian forces, the UN secretary general paid homage to the Panamanian contingent for the exemplary manner in which they had carried out their mission and said that the United Nations had a debt with the Panamanian Government for that reason.

Undoubtedly, there are some absent-minded people who pretend not to know that the struggles of several generations to achieve the fatherland's sovereignty and independence culminated in the Torrijos-Carter Treaties thanks to the unity produced between the people and the National Guard of that time.

A message that I believe I have made abundantly clear is: Do not try to destroy the Panama Defense Forces, because you may find the medicine will be worse than the illness.

The current U.S Administration is concerned about the fact that as a result of those treaties, the U.S. military presence in Panama will end on 31 December 1999. It is evident that the enimies of the treaties in the United States are very receptive to the conservative Panamanian politicians who, as a modus vivendi, have adopted the habit of requesting Washington's blessing for all they do or think of doing. The U.S. officials must keep in mind, however, that those Panamanians who come to them very well dressed and speaking perfect English do not represent the Panamanian people or the Panamanian national will.

Panama needs peace and tranquillity to resolve the people's desires for progress and well-being. For more than 80 years we have been partners of the richest nation in the world, so we have the right to development and the right to expect that our economy will not be placed in jeopardy by foreign design.

The history of our republic is proof enough that we Panamanians are capable of finding peaceful, not violent solutions. We humbly feel that now, at the end of the 20th century, democracy -- with free elections, honest counting of votes, and ample guarantees for political pluralism -- is the best way to give ourselves governments and institutions chosen by the people, closing the way to any attempt at meddling in our domestic affairs. Thus all foreign attempts at destabilization of the Panamanian Government will be left behind as a nightmare.

It is necessary, however, to call things by their names. We must be on alert against those who term the U.S. Senate's action as an intervention in favor of democracy, when in reality it is a flagrant violation of the most elementary principles of international law. Those who believe the U.S. intervention is on the march are historically wrong. That, however, does not excuse us from the duty of making sure they see their error very clearly. I have also said the credibility of our leaders is recoverable, no matter how much harm the press campaigns have caused. The Panamanian military men are going to demonstrate that the Panamanian Defense Forces are capable of guaranteeing elections that will lead to an effective democracy, which would allow a government with overwhelming popular support to rise, allow the military men to return to their professional and civic actions activities, without any kind of suspicion regarding the subordination of the military power to the civil power, as is established in the Constitution and the laws of the Republic.

I am sure the gentlemen sitting with me at this table, Ambassadors Ritter and Leyton, as well as Consul General Blandon, will be able to better express the thoughts we have expressed in the United States, summarizing the viewpoint of those who rule Panama today.

Students, workers, urban and rural leaders, church authorities, managers, and political parties: I make a fervent call to all Panamanians of good faith so they sit as soon as possible at the negotiating table, without preconditions, to discuss the problems of the country, and I feel sure, without trying to be a prophet, that the good will that is left to us, in view of the image of the fatherland in crisis, will force us to be flexible and to make sacrifices so that the solutions stemming from there, meet with the approval of the national majorities and will allow us to live in peace that we desire so much in Panama. Thank you very much.

[Leyton] Mr Acting Foreign Minister, Messrs Ambassadors, Panamanian people. It is now my turn to present a report on the repercussions of the Panamanian crisis within the context and actions of the OAS. I hereby describe the scope and meaning of the special meeting held by the Permanent Council on 1 July 1987, and the approval of Resolution 477 concerning the reiteration of principles and obligations stated in the OAS Charter. This unprecedented event marked the beginning of a new era in the Latin American nations' relations with the United States. For the first time in the organization's history, the United States was isolated and sustained an overwhelming defeat when other nations voted against it. Seventeen countries firmly told the United States to fulfill the obligations of OAS member states, which are stated in the OAS Charter. This transcendental event has diametrically changed the unfortunate inertia and inactivity that prevailed in the inter-American system.

The shameful and unpunished episodes of armed intervention suffered by the Dominican Republic, and then Grenada, among others, has become a stigma of powerlessness for the system's legal mechanisms. The organization assumed a cold and indifferent attitude concerning the Malvinas issue and the legitimate rights of the Argentine people, who unsuccessfully sought the organization's solidarity and support. In 1964, Panama courageously and resolutely reported the aggression we had suffered, and which brought sorrow to Panamanian families -- which contributed with the total of 23 martyrs during the most heroical phase of our nationalist struggle against the United States. Nevertheless, not even an event of this magnitude deserved the OAS statement that Panama sought.

On 1 July 1987, the OAS Permanent Council held a special meeting requested by Panama and confronted the undeniable evidence of a resolution approved by a vast majority of the most powerful legislative organization in the world -- which adopted a dictatorial attitude and decreed obligations that had to be fulfilled by the Panamanian Government. This unprecedented action openly proves the imperialist mind's characteristic contempt for the norms that must prevail in the relations among nations. With this measure, the U.S. Senate assumes a right it does not have, because it is not even allowed to regulate the actions of other states in the union.

The solidarity and support of the Contadora and Support Group member countries, as well as Bolivia and Nicaragua, were quickly received. They sponsored a draft resolution that was later approved by an overwhelming majority.

In addition, the Panamanian Government presented its charges and gave precise and detailed explanations on the chronology of the plot. We refute the maliciously spread report that the security and stability of the Republic of Panama are vital for the security of all the states in the Western Hemisphere. In fact, this statement threatens and casts a doubt on the Panamanian people's self-determination.

The U.S. Senate members thought they could adopt the role of judges and redeemers concerning Panama's internal crisis, decide who was right, and condemn all the constitutional institutions and organizations of Panama — its genuine condition as a nation they disown, even though they cooperate and maintain diplomatic and commercial relations with the Panamanian Government. They tell us in a clumsy and unfortunate way the legislation that we must implement to enforce our laws. In fact, we do not want to repeat the coarse and interventionist contents of the mentioned resolution on this occasion.

However, we will repeat many times the support that Panama received from the countries that, in addition to voting for us, stated their solidarity with our people against this unprecedented aggression. Panama has acquired a debt of everlasting gratitude from Mexico, Colombia, Venezuela, Argentina, Brazil, Peru, Uruguay, Bolivia, Nicaragua, Chile, Ecuador, Guatemala, the Dominican Republic, the Bahamas, Barbados, and Jamaica -- and with several countries who abstained because of formal reasons, but reasserted the enforcement of and respect for the principles of nonintervention and self-determination. Several of the countries that sided with Panama received reprimands and pressure from the U.S. State Department because they had dared to defy the U.S. Senate's ruling. The most noticeable repercussions include the U.S. Senate's recent refusal to approve the appropriations tc pay the quotas to the organization's regular funds. The United States decided — in an unilateral and arbitrary way — to reduce the quota some years ago. The richest country in the world currently has a debt in excess of $42 million at the OAS. This situation maintains the organization on the verge of bankruptcy.

Even though the OAS recently referred to Panama, issued an appeal to fulfill the states' obligations, and reasserted the member states' interest that the treaties be fully implemented, the U.S. Senate and certain sectors in the U.S. Government persist in their efforts to interfere in Panama's internal affairs with attitudes that are more and more open and provoking. This explains the repeated threats of enforcing arbitrary economic sanctions against us, with the intention of increasing our future dependence through the total destruction of the Panamanian economy. These measures of punishment and economic submission are characteristic strategies implemented daily against weak countries and represent the groundwork for covert policies, carried out by the White House's military juntas, as stated by the senator who presided over the commission that investigated the Iran-contra scandal.

They cannot accept the fact that Panama will continue on the path toward its political, territorial, and economic independence; so they insist on undermining our institutions for the sake of a test tube democracy that is conceived to abort the will of strong men who refuse to grant submissive concessions. I have never used, and will never use, the OAS forum to attack Panamanians who do not share my political views. I recognize the legitimate rights of thousands of honest Panamanians who today oppose the government because of their genuine convictions.

I congratulate those members of the opposition who have advocated -- in theory and with their actions -- nationalism and nonintervention of other states in our internal affairs. However, I condemn -- because this is unforgivable -- the opportunists who were the main beneficiaries of the political favors bestowed by all the governments since 1968, until a few months ago. In complicity with other turncoats, perhaps encouraged by the contras' syndrome, these same people have decided to carry out their campaigns in Washington's lobbies of power instead of accepting the Panamanian people's judgement. These modern Judases have established at 1736 M Street, Northwest Washington, the embassy of treason, wrapping themselves in the disguise of the Civilianization Crusade, promoting acts against Panama that I am sure are not known by many of the members of this movement.

Neither disinformation nor economic destruction -- not even an armed intervention -- will cause us to negotiate the homeland's dignity. The strengthening of democratic institutions is the Panamanian's common goal. You cannot implant foreign formulas or force mechanisms if these are not the result of a consensus among the political forces in conflict. We must give up stubbornness for the sake of understanding. Other countries in the hemisphere have found solutions to their crises by paying a high social cost, and their achievements were stained with the blood shed by their people. Consequently, Panama's only hope is an unconditional dialogue and common sense. We will be responsible for our future and our children's future.

Likewise, Panama will not rest in its struggle and determination to report -- in all forums -- the violations against our rights, because we know we have the support of the international community in general. Latin America has proved it rejects the impositions resulting from warmongering policies implemented by sectors alien to our region. The Guatemala summit has strengthened Central America and, consequently, Latin America. It has proved the unanimous will to attain peaceful solutions to the conflict prevailing in the area. Panama will continue to participate, in a more active way, in the Contadora and Support Group's peace-seeking efforts. We will not let anyone undermine our will to struggle for dignity and peace, regardless of the cost. Thank you.

[Ritter] Mr Minister, members of the diplomatic corps, ladies and gentlemen:

This public explanation of our activities represents a policy that I do not hesitate to characterize as healthy and to recommend that it becomes common practice.

The intensity and the perversity of the campaign against the Defense Forces have been answered firmly and with conviction at the United Nations and in front of the media accredited to the United Nations.

I must say with legitimate Panamanian pride that international understanding has been encouraging and militant. When campaigns are unjust, they motivate the countries to express their solidarity, especially when the one acting against a small and friendly nation is the world's most powerful nation.

An increase in the seriousness of the offenses or an increase in the number of times they are launched do not make these offenses more credible and do not produce the demoralization effect wanted. The more coarse the injuries, the more evident that injustice becomes and the greater the international solidarity that is received.

Panama has had to struggle not only against the interventionist arrogance of U.S. sectors but also against mercilessness in much of its media. This is why the task of adequately informing the friendly nations has been two-fold. First we had to issue denials; it was later necessary to explain the situation.

This is what has been imposed on us by those who have chosen insults as a tool and slander as an instrument to help a sector of the Panamanian opposition.

I know there are many Panamanians concerned about the path of the current situation and our current relations with the United States. This is why I must very clearly state that no Panamanian diplomat has been given instructions or assigned the mission to unnecessarily harass the United States at international forums. However, we do have the evident and essential mission of defending ourselves from meddling in our internal affairs.

Panama has resorted neither to insults nor lies to respond to the barbaric language that some members of the Senate use when referring to our country, institutions, and leaders. It has been the North Americans who have taken our relations from the clear avenues of understanding to the rugged path of confrontation. Ten years ago, on the occasion of the discussions of the canal treaties, an attempt was made to discredit Gen Torrijos, and the charges then were similar. This time, both domestically and internationally, the offenses have been so vast that all insults and the most rude terms have been used.

At that time the objective was to prevent the approval of the agreements. Now the objective is to not comply with the agreements. On both occasions it has been evident that there is a total lack of evidence.

In 1973, the United States used the powerful tool of the veto to prevent the UN Security Council from approving a resolution in favor of Panama. The veto obstructs the legal approval of a resolution, but it does not save anyone from a moral lashing, and the moral lashing of the past has now been repeated.

The aggression endured by Panama with the approval by the Senate of a resolution that even points to the judicial code article that we should implement was presented to the Nonaligned Movement, which is composed of 101 of the 159 nations that comprise the United Nations. There were expressions of support, anger, and incredulity because of the insolent resolution, and the movement unanimously approved a communique condemning the discredit campaign against the Panamanian leaders and demanded compliance with the Torrijos-Carter Treaties.

However, if the permanent meddling in our domestic affairs continues, we will not hestitate to take our case to all the forums open to the members of the United Nations.

The aggression by the U.S. Senate cannot produce an institutional crisis in Panama just as overwhelming international solidarity cannot discourage people who with uncontrollable ambition for power are promoting a U.S. intervention. The problem must be resolved among Panamanians, with dialogue.

We Panamanians have always had political differences. The atmosphere that precedes elections is usually one of feverish and ardent activities. Diatribe has never been absent from our political life. Today, and this shows there is no unanimous position on a solution, the political confrontation has an unprecedented intensity: Families have been broken, friendships have been dissolved, and old commercial links have been torn. The confrontation has created so much hatred and resentment that it will take a long time for the wounds to heal. What this demonstrates is that repeated offenses and systematic misinformation strengthen the target instead of weakening it, and that the invention of resignation of deaths to keep a spirit of protest alive produces only a greater radicalization of positions.

For this reason, at the same time that I inform the country that it is true that there is very broad international solidarity, I must call your attention to the danger of playing the game today of those who, moved by selfish interests, have called for an intervention with unpredictable consequences to Panama.

Not all the people demonstrating on Panama's streets want U.S. intervention. There are many legitimate reasons for protests, but those who are seizing them and identifying them with the specific interests of some U.S. sectors are perverting them and putting in danger the possibilities of agreement between us and the United States.

International support cannot be grasped from the U.S. newspapers but at international forums, in this case the United Nations and the Organization of American States. Facts and results are there to be seen and cannot be hidden as the U.S. media maliciously hides them.

However, struggles are not won in newspapers but in the field. Just as radio commentators sometimes narrate fights in a way that the loser appears as the winner, the U.S.' twisting of the true Panamanian situation will not make the situation change.

Panama has complied and will continue complying with the obligations it acquired with the UN Charter and the treaties it has signed. When constitutional guarantees were suspended, the UN secretary general was informed, just as the international pact on civil and political rights establishes. However, we will also resort to the United Nations to demand from the United States respect for the principle of self-determination.

Just as I do not hesitate to reiterate a call to a dialogue, I also reaffirm that my voice will not tremble if we have to denounce 1,000 times an illegal intervention or an illegitimate offense.

Thank you.

[Cabrera] We have just heard our ambassador to the United Nations, His Excellency Dr Jorge Eduardo Ritter.

Now it is the turn of Panama's consul in New York City to participate in this special program.

[Blandon] Mr Acting Minister, ambassadors, Panamanian people:

First I want to say that I want to address the young people of my fatherland, the men and women who are trying to resolve their differences on the streets.

I want to tell them, so they can clearly understand that independent of the justice of their protests, a process of manipulation directed by U.S. interests and national interests of some Panamanians, who are bad Panamanians, lies at the bottom of those protests.

The United States has two problems with Panama that are parallel problems; that is, two interests which are not exactly alike and do not have the same connotation. The United States has economic disagreements with the Republic of Panama, fundamentally because, sinece 1927, corporations have been formed in Panama, which allow the creation and installation of these companies in the Republic of Panama. [sentence as heard] The United States has opposed this because it claims that these companies are used by U.S. citizens to evade taxes.

The United States has been trying for many years to get this system eliminated. The pressures grew and [words indistinct] a new mechanism when the matter of drugs arose. Through the stratagem -- that of money laundering -- they tried to implement new pressures against all Latin American countries and against the Republic of Panama.

In the United States there is a very tangible interest in eliminating Panama's financial center. Particularly in Miami, strong interests are trying to move the financial center of the Republic of Panama. The bankers, the economists, the financiers, and our friends working in banks know that the latest developments have dealt a heavy blow to the financial center. Only time will tell how effective this has been.

However, I ask myself and ask those employees: Once this financial center is dismantled as a result of this campaign, who will pay a salary and provide jobs to those thousands of Panamanians who perform this work with intelligence and dedication? We have clear indications that Roberto Eisenmann in Miami is directing this campaign against the financial center. We know there are bankers who, because of political motivations, have promoted this destabilization plan.

The United States has serious political disagreements with Panama. The United States wants to stay in the Republic of Panama with its troops beyond the year 2000. It is no secret to anyone in Panama or to anyone who is versed in international and commercial relations that the means of communication have become more valuable following the latest conflicts in the Middle East and the deterioration of the South African regime. Communications, and particularly the Panama Canal, are much more important to the United States, and obviously to Panama, at this moment. That is why when the invisible government headed by the group made up of McFarlane, Poindexter, and North was installed in Washington there began a campaign that was fundamentally and essentially aimed at liquidating the government of the Republic of Panama.

I ask our students to devote a couple of minutes to making a careful analysis of the latest hearings in the U.S. Senate. They will find: In December 1985, the United States began a campaign to supply weapons to the Nicaraguan counterrevolutionaries. The campaign was aimed at liquidating the Sandinist regime which, regardless of whether or not we approve of its political conduct, has the right to self-determination.

This campaign was aimed at liquidating the Contadora Group. It included the creation in Central America of a private army under the command of General Secord, who coordinated and developed counterespionage and counterintelligence activities against the Central American countries. All of us are familiar with the pressures that were exerted on friendly countries in Central America by this invisible government, which even hid information from the U.S. President himself and hid information from the U.S. secretary of state. On the very soil of the United States a three-member dictatorship imposed on a democracy the political line of the last few years.

In the particular case of the Republic of Panama, Mr Poindexter and Mr North carried out a campaign aimed at destabilizing General Manuel Antonio Noriega. In 1985, when the war drums foreshadowed an intervention in Nicaragua and the United States tried to coordinate military actions, Gen Noriega proposed a peace plan for the area and in June of that same year went to the Central American countries to clearly raise what would in the end become his fundamental concept; namely, that the military in all Central American countries should sit down and seek a negotiated solution, because the military men and the insurgent military men are the ones who are contributing the dead in the Central American area.

However, after those efforts, Hugo Spadafora was curiously found dead in September 1985. Those of us Panamanians who have lived through this process know that Dr Spadafora was not an important or outstanding political figure in Panama. We knew he could go in and out of the nation's territory without any problems. We know, in fact, that those who are trying to raise him as a banner following his wanton murder are the same ones who opposed him when he nobly began the campaign against Somoza's dictatorial regime.

However, the campaign against Gen Noriega did not stop there. The United States had succeeded in involving [former] President [Nicolas Ardito] Barletta in the efforts to incorporate Panama into this struggle and its plans. Since very early in his administration, Barletta clashed with Torrijism because of his behavior. At that moment, efforts were made to impose unpopular government plans which are part of the resentment felt by our people today.

The Panamanian people recall patriotic efforts to reject those actions and when Barletta was deposed the government managed to overcome the problems it was facing at that time. In May 1986, that is, 1 year after these problems developed in the United States, the Lebanese press revealed that the United States had been secretly selling weapons to Iran. [sentence as heard]

At that time, Admiral Poindexter presented a disinformation dossier against the government and the leaders of the Panamanian military.

In June 1986, THE NEW YORK TIMES published a report based on statements by former adviser to the National Security Council Norman Bailey, who was hired by Barletta to lobby, and Constantine Menges, who was a former adviser to Poindexter and North. They filtered that information to this U.S. paper to create confusion against the Panamanian leader and cover up the actions surrounding the Iran-contra case.

From that point on, and even before then, this daring invincible government even conceived the idea of murdering U.S. Ambassador to Costa Rica Tambs. This was published in a U.S. magazine. The aim was to blame Nicaragua for this murder and bring about intervention.

You might recall that Eden Pastora said that it was North's group that tried to kill him in La Pencas.

It is evident that the most conservative groups in the United States' plan has joined the interests of the most conservative and antipatriotic groups in the Republic of Panama. I ask Panamanian students; I ask University of Panama students whom I saw rally today with slogans completely different than those of the opposition; I ask them whether they know that Gabriel Lewis Galindo proposed to the United States a plan whereby a provisional government would be established here to call elections and that the United States would commit itself to economically support that new government which would commit itself to review the Torrijos-Carter Treaties to guarantee a continued U.S. presence in Panama.

I ask youth, students, and Panamanian workers who have been confused by the unmerciful campaigning displayed by LA PRENSA; I ask them whether they know about these plans and whether they approve of them.

In Panama, a country involved in a national struggle, there is no doubt these plans have no chance of developing. However, the foolishness of these opposition sectors, who want to manipulate students, youths, workers, women, and the unemployed, reaches such levels that they have made rumors and disinformation their permanent weapons.

This morning, CNN [Cable News Network] a U.S. television network, based on alleged rumors disseminated a report in the United States that Col Diaz Herrera, retired, had died from a heart attack, allegedly while dangling from a helicopter. CNN reported that this caused his death.

Also, Radio Marti, a U.S. station aimed at Cuba, this morning and afternoon, aired a report on an alleged Cuban security dissident who leveled serious charges against Gen Noriega.

All these strange coincidences are part of the conservative sectors' political plan. Those sectors told them [not further identified] that Noriega, the Defense Forces, and Delvalle had a few hours left; that it was a matter of maintaining pressure on the streets. But we who have participated in revolutionary processes, who know how a revolution is built and developed, know that the development of that political option is a long-term problem requiring a lot of work and great effort; that there are no grandiose leaps forward in the history of societies and that they have been confused by the support received from U.S. sectors and will continue to remain confused; they will find out that this will not work in Panama.

In summary, during our long hours of dedication and analysis of the situation, we have discovered a perfectly articulated plan, which is trying to make believe that all Panamanians are immersed in a struggle against someone, as if this were the magical solution to our problems.

I urge President Delvalle to reflect on the current political situation and implement, with the help of the Panamanian popular movement, an economic policy in line with the current situation. I urge the Defense Forces to keep the banners of dignity and patriotism held high. I urge students, who, with our without reason, are against the government and its policy, to discuss their ideas at the negotiation table. I urge the workers of our fatherland and bank employees to think about their behavior. I urge them to do so, because passion is not a good companion for politics; I urge them to do so, because if we fail to realize there is a power trying to destroy the achievements of the Panamanian people, we will lose the most important of our resources in the year 2000.

But there is no doubt about it; do not be deceived young workers, men and women of my fatherland, there is no rift within the Defense Forces, nor is the downfall of any government imminent. In any case, what could result is a restructuring of our overall strategic plan to strengthen and develop a national movement that will lead to the political and national independence of the Republic of Panama.

DEATH OF DIAZ HERRERA 'U.S. MEDIA DISTORTION'

PA111823 Panama City Televisora Nacional in Spanish 1747 GMT 11 Aug 87

[Text] Attention viewers: This is a last minute report. Today, Panama was the target of yet another case of distortion by the U.S. media. Indeed, this morning, CNN, the Cable News Network, headed by Ted Turner, aired a totally false report coast to coast. According to that report, Colonel Robert Diaz Herrera (retired) died early this morning of a heart attack after he had been on a helicopter flight. This false and exaggerated [exagerado] CNN report said that the former chief of staff died of fright and tension due to the purported helicopter flight. Alarmed reports quickly reached Panama from diverse areas and cities in the United States with complete information on this new distortion of facts in our country.

As our viewers will recall, the campaign of disinformation by the major U.S. news media has recently reached frankly unbelievable levels, giving rise to stories based on false reports. However, for local analysts, today's new false report on Roberto Diaz Herrera surpasses anything that could be expected and is a grave insult to Panama and a sign of contempt that assails any claim of credibility; it also directly affects CNN. This network will have to explain how was that it committed such a grave, reckless, and imprudent action.

SARNEY VIEWS DEBT TALKS, CONTADORA SUMMIT

PY111508 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 11 Aug 87

[Text] President Jose Sarney has stressed that Brazil will no longer resort to orthodox foreign debt renegotiation methods. The president, who made this statement to Mexican television reporters, also commented on his upcoming visit to Mexico City next Sunday.

President Sarney said the commercial banks will be the interlocutors during the first stage of the negotiations. Only once this stage is over will Brazil engage in talks with the international financial agencies. During the interview with the Mexican journalists, Sarney mentioned the possibility of a Contadora summit meeting. Brazil, he said, supports this idea and could attend the meeting in November in Mexico City. He added that the Contadora Group presidental summit is on the agenda of the talks he will hold with his Mexican counterpart, Miguel de la Madrid. [recorded passage indistinct]

At the Alborada Palace today, President Sarney will meet the eight foreign ministers of the Contadora Group, Brazil, Mexico, Argentina, Uruguay, Venezuela, Colombia, Peru, and Panama.

Hints at Moratorium Extension

PY120018 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Aug 87 p A 26

[By Gilberto Dimenstein]

[Text] During a conversation with his aides, President Jose Sarney said he is willing to take a firmer position in negotiations with creditor banks, hinting at the possibility of extending the moratorium, which would affect international organizations like the IMF and World Bank. This was his response to "threats" by bankers to cut interbank and commercial credits estimated at $15 billion.

According to the Finance Ministry and Planalto Palace, the threat was made during a meeting in New York on 5 August at the headquarters of Manufacturers Hanover Bank. This bank heads the committee on links with regional creditors. Moreover, $400 million in interest payments was reportedly demanded.

The exchange of threats is part of a war of nerves. Brazil and the creditor banks are going to meet again next month in the United States. So far there is an atmosphere of impasse. Proposals made by Finance Minister Bresser Pereira during his visits to Washington and New York have not been viewed with sympathy.

He asked that Brazil be charged a zero "spread" [preceding word in English] and be allowed to take advantage of the discounting of the Brazilian debt — the debt discount currently stands at 40 percent. Therefore, the $105-billion debt is only worth $65 billion on the market. Another proposal under study is for Brazil to pay interest only on the "real value" of its debt. However there was no indication these proposals would be well-received.

As expected, the IMF is the main source of friction. There is strong opposition to an agreement that excludes the IMF, which was reportedly expressed on Wednesday at the meeting in New York, but Brazil favors such an agreement.

In remarks to FOLHA DE SAO PAULO, Minister Bresser Pereira said "to ask for IMF approval is to ask for an impasse." He is totally against a formal agreement. His plan, however, will go through the IMF -- but banks will reportedly have priority over the IMF. The banks, however, do not seem to be very impressed by such a plan.

The minister's fear is based on experience in Argentina, where the government reached an agreement with the banks after it had made a deal with the IMF. When the IMF voiced its disagreement with the manner in which the Argentine economy was being conducted, it suspended payments, and the banks followed the IMF's example. The current idea is simple: After the negotiation, the IMF would have access to economic data through documents released quarterly on the monetary base, means of payment, and the public sector's financial need (deficit). These documents will be public -- any Brazilian will be able to see them.

Adopting a hard position with bankers is still viewed as the "ultimate" possible measure by Planalto Palace, the Finance Ministry, and the Central Bank. Both President Sarney and Minister Bresser Pereira feel an impasse must be avoided.

The "symbolic" payment of interest is another source of friction. During his trip, Bresser raised the possibility of "symbolic payment." He thinks this gesture would show Brazil's desire to normalize its international financial situation.

The amount of symbolic payment is still under discussion, however. Since the country has hit another record surplus in its trade balance, bankers feel Brazil will be able to disburse up to $500 million.

MILITARY PARALLEL NUCLEAR PROGRAM TO CONTINUE

PY110332 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Aug 87 p 40

[By Roberto Godoy]

[Excerpt] The outage of the Angra nuclear plant and/or the suspension of the Brazilian atomic project will not affect or interrupt the parallel program being carried out by the Aeronautics, Navy, and Army Ministries with the objective of giving Brazil complete domination of nuclear technology and its related aspects, both civilian and military.

This secret undertaking is being carried out by Armed Forces research agencies and has at least two very well defined targets: The technology of fast reactors of the Fast Breeder [preceeding two words in English] type, and the building of a medium-sized submarine. The work on the first target is currently being concentrated at the Advanced Studies Institute of the Aerospace Technological Center located in Sao Jose dos Campos. [passage omitted]

BRIEFS

ACTING SUDENE SUPERINTENDENT APPOINTED -- Planalto Palace has just released President Sarney's decree dismissing Dorany Sampaio from the SUDENE [Superintendency for Development of the Northeast], and appointing Antonio Carlos Barbosa Frota acting superintendent. [Summary] [Brasilia Domestic Service in Portuguese 2200 GMT 7 Aug 87 PY]

PDC'S ALWYN, PSCh'S NUNEZ VIEW ELECTION CAMPAIGN

PY110309 Santiago Radio Chilena Network in Spanish 2300 GMT 10 Aug 87

[Text] The drive for free elections and the establishment of a coordinating board which will bring all the organizations seeking free elections under one umbrella was one of the issues discussed during a meeting between Christian Democratic Party [PDC] President Patricio Alwyn and Socialist Party of Chile [PSCh] Secretary General Ricardo Nunez.

Following a lengthy meeting, held at (?PDC) headquarters, Patricio Alwyn said important agreements were reached on the basic task of achieving democracy in Chile. During the meeting, emphasis was placed on the campaign for free elections and citizens' registration.

Asked whether the PDC registration under the current law on political parties was addressed during the meeting, Alwyn said:

[Begin recording] We have already expressed our viewpoints [words indistinct]

[Reporter, interrupting] Did you reach any agreement?

[Alwyn] [passage indistinct]. We have different viewpoints and we respect each other. [end recording]

PSCH Secretary General Ricardo Nunez said the PSCh opposes the registration [of political parties] under the current law. Nevertheless, he did not rule out the possibility of reaching an agreement on the formation of a broad democratic front that will register under the current law. The need to draw up an alternative government platform and nominate a candidate who will head the opposition were reviewed during the meeting.

In conclusion, Ricardo Nunez reported that a proposal to create a coordinating board, which will bring all the organizations promoting the holding of free elections under one umbrella, was reviewed.

PRC COOPERATES IN BUILDING FOUR FACTORIES

PY071351 Santiago Domestic Service in Spanish 1030 GMT 7 Aug 87

[Text] Four factories will be installed in the Inquique free industrial zone as part of a technical cooperation agreement between Chile and the PRC.

The industrial complex will produce products for exports. The factories will produce nails, plastic bags, zippers, and (?sails). The total investment is over $700,000. The machinery and equipment cover about $453,000. The four factories will employ 101 people at first, but when they are in full production they will use 150 workers.

DAS CHIEF 'MURDERED' IN BARRANCABERMEJA

PA101815 Bogota Inravision Television Cadena 1 in Spanish 1803 GMT 10 Aug 87

[Text] This is a last minute report: The director of the Administrative Department of Security, DAS, Alfonso Varon Garcia, has just been murdered in Barrancabermeja.

M-19, PATRIOTIC UNION MERGE WITH FARC

PA102153 Bogota EL TIEMPO in Spanish 4 Aug 87 p 2A

[Text] The M-19 and the Patriotic Union will reportedly merge with FARC and continue the armed struggle.

The decision was made during a guerrilla summit held in the Sumapaz region, where the rebels reaffirmed their decision not to turn in their weapons. The position of the armed rebel groups was reported to a journalist of the magazine CROMOS who attended the meeting held last week.

According to the report, Gerardo Ardila of the M-19 leadership supported the merger and said "we do not live by acronyms, and are willing to disappear as such." In addition, FARC leader Alfonso Cano issued a call for unity, describing it as very important to achieve the objectives of the guerrilla movement.

The secret meeting, which was described as "the people's Bolivarian meeting," was attended by Jacobo Arenas and Alfonso Cano of the FARC, and Gerardo Ardila and Tatiana Rincon of the M-19, among others. During the meeting, the guerrillas emphasized they will not turn in their weapons or demobilize [desmovilizaran] the groups, because "the La Uribe agreements only talk about a reincorporation into civilian life."

DIPLOMATIC RELATIONS ESTABLISHED WITH CAPE VERDE

PA051703 Bogota EL TIEMPO in Spanish 29 Jul 87 p 6A

[Text] Colombia has established diplomatic relations with the Republic of Cape Verde, which consists of a group of islands located in the Atlantic Ocean off the coast of Africa. The agreement was signed Monday by the two countries' ambassadors to the United Nations.

Colombia and Cape Verde pledged to promote a spirit of mutual understanding and to develop ties of friendship and cooperation among their peoples. In addition, as stated in a joint declaration issued by the two countries, they agreed to abide by the principles of mutual respect for national sovereignty and nonintervention in each other's internal affairs.

The two governments expressed confidence that their agreement will contribute to the development of commercial, economic, and cultural ties with a view toward strengthening peace and the principles of international law among nations.

Cape Verde is interested in obtaining coal and various types of technological assistance that Colombia can provide.

GARCIA SAYS BANK SEIZURES SUSPENSION 'TEMPORARY'

PA081937 Paris AFP in Spanish 1841 GMT 8 Aug 87

[Text] Lima, 8 Aug (AFP) -- After his decision to suspend the order for state control of all the country's banks, Peruvian president Alan Garcia said on a Lima radio station today: "I am not going to turn into an Allende [former Chilean president] and allow Peru to have a tremendous, dramatic, and bloody dictatorship that will kill many Peruvians."

Garcia explained that the suspension of the order to take control of the country's banks seems to be a step backward, but in reality is a temporary, "tactical strategy," because "we will nationalize the banking sector, regardless of cries, complaints, and come what may."

SHINING PATH ATTACKS LEAVE REGION ISOLATED

PA120545 Paris AFP in Spanish 0425 GMT 12 Aug 87

[Text] Cusco, Peru, 11 Aug (AFP) -- The city of Abancay in southeastern Andean Peru was isolated today as a result of actions by terrorists who occupied eight towns in the area, killed two people, and blew up highway bridges, Cusco police sources reported.

Some 50 guerrillas, presumably from the Maoist Shining Path group, entered eight villages in Abancay and Aymaraes Provinces in Apurimac Department on the border with Cusco and Ayacucho yesterday afternoon. The area is 850 km southeast of Lima.

In each town they gathered the inhabitants in the Arms Plaza and harangued them. In Tumiri they killed Governor Alberto Calindo in front of 500 villagers and warned them they would also kill those who collaborate with the authorities.

In Socos Paparyihua, 45 km from Abancay, they killed Rodin Garay, an engineer, who was an official for a Peruvian-Netherlands project to construct health clinics.

The guerrillas looted several businesses and distributed food among the people. In their escape they blew up several bridges on the highways that link Abancay with Lima and Ayacucho. Dozens of vehicles were left blocking the roads and several were searched by the subversives. In some towns they took youths, presumably to recruit them.

BRIEFS

COCAINE SEIZED BY TACNA -- On 31 July the Tacna Civil Guard seized 10 kg of cocaine base in the Miraflores neighborhood. The cocaine was found in a house located on 80 Ramon Castilla Street. Police arrested the owner of the house and two other individuals during the operation. [Summary] [Lima EXPRESO in Spanish 2 Aug 87 PY]

BOUTERSE HOLDS TALKS WITH FRONT LEADERS

FL101828 Paramaribo International Service in English 1730 GMT 10 Aug 87

[Text] At noon today, Commander Bouterse held talks with Messrs Lachmon, Arron, and Soemita of the Front for Democracy and Development. The leaders of the old political parties had last week requested a meeting with the commander in view of the recent political developments. The request was made after Bouterse announced that he would withdraw from the Top Deliberating Council of which he is the chairman. Last week the National Army demanded the break in the cooperation with the old political parties in the Top Deliberating Council because of certain grave statements made by the front's leaders.

Agreements Reached

FL111818 Paramaribo International Service in English 1730 GMT 11 Aug 87

[Text] Talks between Commander Bouterse and the leaders of the three traditional political parties have resulted in the so-called Leonsberg Agreement. The talks were held yesterday at the request of the leaders of the NPS [Suriname National Party], VHP [Progressive Reformed Party], and KTPI [Indonesian Peasant's Party].

Statements made by them during proclamations of the Front for Democracy and Development last week has resulted in an uneasiness in the Army and the stepping down of Commanders Bouterse and Graanoogst from the Top Deliberating Council.

In the agreements reached yesterday, the partners recognized the joint responsibilities to peaceful work toward stability and national unity as a base for the realization of true democracy. The leaders of the political party say they are striving for the best possible relation with the Army while the commander repeated that the Army will respect the outcome of the elections. The partners also included in the agreement that, from the moment the commander of the National Army took the initiative for a dialogue with the old political parties, a very fruitful and reliable relation existed. Commander Bouterse, Jaggernath Lachmond, Henck Arron, and Willy Soemita decided that in the interest of the nation, their dialogue will continue.

CABINET QUESTIONS CONTINUATION OF POLICY

FL101813 Paramaribo International Service in English 1730 GMT 10 Aug 87

[Text] Because of the political situation in Suriname, Prime Minister Jules Wijdenbosch asked Commander Bouterse to consider whether or not it is useful for the Council of Ministers to continue to carry out the policy of government. Statements by the leaders of the old political parties have given the impression that the Council of Ministers carry out a policy which differs from that of the Top Deliberating Council, said the prime minister. He added that the Council of Ministers unanimously is of the opinion that the execution of the government's policy is not clear to the people.

The prime minister was speaking last Friday at the press conference after an urgent meeting with his cabinet. According to the prime minister, the government, as well as the Top Deliberating Council, never disapproved the policies executed by the government. The Top Deliberating Council gives the directives and the government executes them. According to the prime minister, this is why the government asked government leader Bouterse whether it makes sense to continue the policy.

Council of Ministers Respond

FL111851 Paramaribo International Service in English 1730 GMT 11 Aug 87

[Text] Yesterday, the Council of Ministers reacted positively to a call made by government leader Bouterse for them to remain in office in the interest of the nation. At the end of last week, Prime Minister Jules Wijdembosch asked government leader Bouterse whether it was still necessary for the government to remain in office. The prime minister's query came in the wake of statements made by leaders of the three traditional political parties. The prime minister is of the view that the statement gave the impression that the execution of the policy by the government differs from the directives of the Top Deliberating Council. The Council of Ministers declared they have confidence in the attempts made by Commander Bouterse to improve the political climate in the country.

UNION LEADER DERBY CRITICIZES OLD PARTIES

FL101833 Paramaribo International Service in English 1730 GMT 10 Aug 87

[Text] Yesterday, union leader Fred Derby sharply criticized the old political parties during a meeting of the Paramaribo branch of the Workers Party. Derby said there is no interest whatsoever in the economic crisis nor in the east of Suriname and the danger that threatens the sovereignty of the country. Derby said they are interested only in the referendum and the elections which they hope will put them back into power. He especially denounced the fact that these participants in the Top Deliberating Council keep silent while the organ discusses the systematic destruction of production structures and the long lines for basic food items. He also denounced the fact that the leaders of the old political parties don't give interest to these questions. He pointed out that all 10 partners in the Top Deliberating Council carry responsibilities for what goes on in the country.

Views Army Statements

FL101843 Paramaribo International Service in English 1730 GMT 10 Aug 87

[Text] Suriname Workers Party Chairman Fred Derby yesterday denounced statements by the National Army which he said were in conflict with the ongoing democratization process. Derby was speaking yesterday at the installation of the Paramaribo branch of his party. He said only the working class should decide what happens in this country. Although he criticized statements by the leaders of the old political parties at the proclamation of their alliance last week, Derby said that the intimidation and threats by the Army as a reaction on these statements are intolerable. He said the military authorities should openly correct these statements.

SURALCO RESUMES MOENGO OPERATIONS IN PHASES

FL111940 Paramaribo International Service in English 1730 GMT 11 Aug 87

[Text] The Suriname Aluminum Company [Suralco] is reopening its mining operations at Moengo in phase. Yesterday, two pontoons with bauxite from Moengo were transported to the alumina factory at Paranam. Moengo bauxite is of big importance for the existence of the Paranam factory which for some time had to function with imported bauxite. Economically, this was unprofitable for Suralco which hopes that, like before, the Paranam plant will be supplied with bauxite from Moengo. In the meantime, the government and others involved are busy in efforts to bring back life to normal at Moengo.